

## ACQUISITION OPPORTUNITY

Institutional Pharmacy Provider

SUPERIOR REPUTATION / LONG STANDING CUSTOMERS

STABLE CONTRACTUAL REVENUES

## REGIONAL LEADER

SELLERS WILLING TO REMAIN AFTER A TRANSACTION

WHY SHOULD A STRATEGIC ACQUIRER LOOK AT THIS OPPORTUNITY? .....

2013 Rev. Est. - \$4.8MM

Location – Midwest

1,400 + Beds Served

THE COMPANY REPRESENTS A UNIQUE OPPORTUNITY TO ACQUIRE A LEADING REGIONAL INSTITUTIONAL PHARMACY PROVIDER WITH LONG-STANDING CUSTOMER RELATIONSHIPS & AN EXPERIENCED OPERATING TEAM

- ✓ Regional market leader demonstrating high growth rates & strong profit margins
- ✓ Technology leader having invested over \$1.0 million in robotics and information technology
- ✓ History of high retention rate and ability to grow number of beds served year over year
- ✓ Long standing customer relationships that are transferable to new owners
- ✓ Excellent location creates potential for this to be an operating hub for larger regional presence
- ✓ Existing facility with growth capacity to double current # of beds served

### Key Operating Metrics

|                        | 2011        | 2012        | 2013 EST.   | 2014PF      |
|------------------------|-------------|-------------|-------------|-------------|
| Avg. # Beds Served     | 692         | 957         | 1,126       | 1,693       |
| Beds @ Period End      | 880         | 894         | 1,480       | 1,725       |
| # Rx Filled            | 87,085      | 156,665     | 190,625     | 286,748     |
| Avg. # Rx @ Bed Served | 10.5        | 13.7        | 14.1        | 14.1        |
| Revenue @ Rx           | \$35.15     | \$26.35     | \$25.32     | \$25.32     |
| Avg. Revenue @ Bed*    | \$365.29    | \$359.13    | \$357.26    | \$357.26    |
| Total Billed           | \$3,038,718 | \$4,118,446 | \$4,823,423 | \$7,259,218 |

\*Note: Avg. Revenue @ Bed is calculated based upon the facility's certified bed count not actual beds in service. Avg. occupancy is estimated to be 86%

| Facility Type @ 12/31/2013EST:  | # of Facilities | # of Beds | %      |
|---------------------------------|-----------------|-----------|--------|
| Skilled Nursing Facilities      | 21              | 1,235     | 82.9%  |
| Assisted Living / Personal Care | 12              | 255       | 17.1%  |
| Total                           | 33              | 1,490     | 100.0% |

### Financial Highlights

| (\$000's)          | 2010    | 2011    | 2012    | 2013EST | 2014PF  | 2015PF  | 2016PF  | 2017PF   |
|--------------------|---------|---------|---------|---------|---------|---------|---------|----------|
| Revenues           | \$1,965 | \$3,039 | \$4,188 | \$4,820 | \$7,250 | \$8,320 | \$9,390 | \$10,460 |
| % Growth           | N/A     | 54.7%   | 37.8%   | 15.1%   | 50.4%   | 14.8%   | 12.9%   | 11.4%    |
| Gross Profit       | \$612   | \$988   | \$1,549 | \$1,740 | \$2,625 | \$3,021 | \$3,419 | \$3,819  |
| % Margin           | 31.1%   | 32.5%   | 37.0%   | 36.1%   | 36.2%   | 36.3%   | 36.4%   | 36.5%    |
| Operating Expenses | \$627   | \$792   | \$1,074 | \$1,163 | \$1,599 | \$1,788 | \$1,975 | \$2,160  |
| EBITDA             | (\$15)  | \$196   | \$475   | \$577   | \$1,026 | \$1,233 | \$1,444 | \$1,659  |
| % of Revenues      | -0.7%   | 6.4%    | 11.3%   | 12.0%   | 14.2%   | 14.8%   | 15.4%   | 15.9%    |